

Summary of Witness Testimony **Richard Harris**

Mr. Harris lives in Biloxi, Mississippi and owned and worked at his firm, Harris Homes, located in Ocean Springs, Mississippi, which is located on the Mississippi Gulf Coast between Biloxi, MS and Pascagoula, MS.

In 1990, Mr. Harris opened his own business, Harris Homes, and has been self-employed since that time. In 2000, Harris Homes purchased 20 acres of land in Ocean Springs, and developed a subdivision consisting of 49 lots (Dove Plains). Prior to August 29, 2005, 21 homes have been built, sold, and occupied. On August 29, 2005, the status of lots and construction was:

25 active construction projects:

- 12 pre-sold contracts in various stages of construction (4 approximately 70% complete, 3 about 40% complete and 5 not started);
- 5 pending home construction contracts;
- 5 speculative homes in various stages of construction;
- 3 commercial developments to be kept as rental properties;
- 15 lots available for future home construction.

On August 29, 2005, Harris Auto Sales (used automobiles) was prepared to open for business. The sales lot was completed, dealer's license was obtained, and 5 used cars had been purchased and were on hand.

Mr. Harris also had a 1200 square foot strip mall under construction, as well as a "four-plex" apartment building.

After Hurricane Katrina, Mr. Harris was left with his personal home and possessions destroyed. Estimated uninsured loss of about \$100,000. The Dove Plain houses under construction suffered wind and rain damage, which Mr. Harris has estimated to range from \$2,000 to \$4,000 per unit. Estimated total uninsured loss is \$135,000. Mr. Harris' used car dealership had all 5 inventory units lost to storm surge,

all which were not insured. Estimated total loss including lot repairs is \$28,000.

Mr. Harris has been following protocol. He registered with FEMA on or about September 8, and to date has not received the promised application or assistance. He has contacted the Mississippi Small Business Development Center on September 12 and met with an SBDC officer on September 19. He has also prepared and submitted all insurance claims, both personal and business.

Mr. Harris resumed construction in Dove Plains subdivision on September 5, and is ready to resume construction on the “four-plex” and the strip mall. At full operations Harris Homes normally employs subcontractors with a total of 50 employees daily. Presently he only has 15 workers daily.

Mr. Harris is concerned because he feels that there is little or no reliable information available to businesses or individuals. FEMA, the SBA, and insurance companies are simply overwhelmed. They are not unified and thus are making the process incredibly confusing. There are a number of circumstances and requirements set by FEMA that have made it impossible for Mr. Harris to quote a price for a new home or repairs to an existing home.

Mr. Harris believes that this process can become much more effective if:

- an effective communication vehicle to let individuals and small business owners know that they should plan for at least 90 to 120 days before any financial assistance will be in hand, and to communicate where to go for counseling and assistance.
- Provide the resources to staff assistance centers with trained/qualified staff
- effective “bridge” assistance (interest free loans and/or grants) to allow for time to assess the situation, and make plans for moving forward.